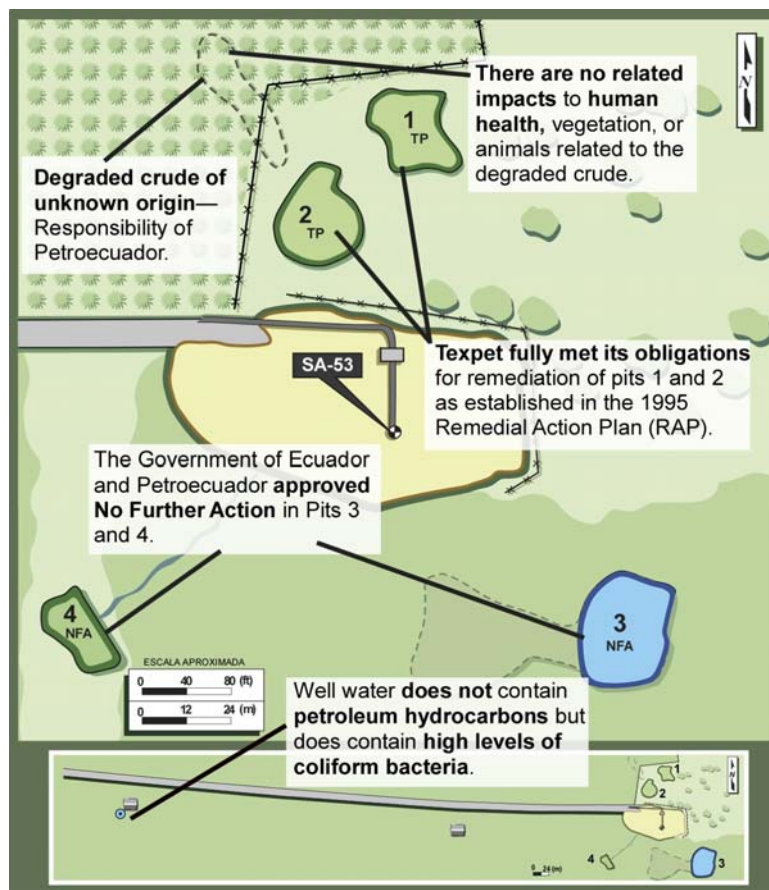


Report of Expert Mr. Ernesto Baca, P.E. Judicial Inspection of Well Site Sacha-53

María Aguinda et al v. ChevronTexaco Corporation
Proceeding No. 002-2003, Superior Court of Justice, Nueva Loja, Ecuador

1 EXECUTIVE SUMMARY

The main conclusions of the Judicial Inspection of well Sacha-53 (SA-53) are summarized in the following illustration and in the report below.



The May 4, 1995 agreement between Texaco, the Government of Ecuador, and Petroecuador required completion of the following tasks at well SA-53:

- Investigation to evaluate the need to remediate the four pits; and
- Remediation of Pits 1 and 2 at well SA-53.

The two tasks were performed to the satisfaction of the Ecuadorian Government and Petroecuador. Texaco Petroleum Company (Texpet) was relieved of all its obligations, responsibilities and legal liabilities related to well SA-53 on October 29, 1996. The rest of the remediation work and the remaining tasks were assumed by Petroecuador.

On October 29, 1996, the government of Ecuador and Petroecuador approved the remedial actions performed at well SA-53. Pits 1 and 2 were remediated, while Pits 3 and 4 were designated as pits that required No Further Action (NFA). The areas of the remediated pits complied with the criteria of the Remediation Action Plan (RAP) for petroleum leachates (TPH – TCPL), and also complied with international criteria applicable to all hydrocarbon parameters at that time. The remaining crude was highly weathered, immobile and not bioavailable. At the site, there are no heavy metals that exceed natural concentrations of the native soils. Consequently, the residual petroleum does not pose a risk to human health, plants, animals or the environment around the remediated areas of Pits 1 and 2.

In addition, during the Judicial Inspection of September 1, 2004, petroleum was found in an area west of Pit 1. The origin of the petroleum in this area is unknown and the area was not observed during the audit or during the implementation of the RAP. This area of petroleum contamination was not Texpet's responsibility because it was never included in the Scope of Work (SOW) or in the RAP. However, sampling of the area west of Pit 1 determined that the petroleum in this area is highly weathered. It was also determined that the petroleum that was found in this area does not pose a risk to human health, since the surface soil samples do not have concentrations of the most toxic petroleum components (Polycyclic aromatic hydrocarbons (PAHs) or benzene, toluene, ethylbenzene, and xylenes (BTEX)) above international evaluation limits. In addition, Mr. Aníbal Baños has already carried out some cleanup work in this area. This work should have been done by Petroecuador. The "palmito" plantation located west of the fence that extends through the area with weathered petroleum, and the pastures east of the fence have not been affected in any significant way. The cattle that graze in these areas have also not been affected because the concentration and composition of petroleum in this zone is such that it poses no risk of negative impacts on animals.

The only use of the groundwater, in the area surrounding well SA-53, is the domestic water well at the residence of Mr. Aníbal Baños, located approximately 900 m west of the SA-53 wellhead. The water of Mr. Baños' well was analyzed, and the results indicate that it has no petroleum products, but it does have a high level of coliform bacteria, both fecal and total. There is no way that the dissolved petroleum components could have reached from the pits to Mr. Baños' water well due to the physical, chemical and biological characteristics of the petroleum, and the geology of the site (see Section 4.4 and Appendix O). The presence of coliform bacteria in the domestic water well is clear evidence of deficient sanitary practices and is not related to the petroleum operations. The health effects reported by the plaintiffs at this site can be attributed to deficient sanitation of the water well.

The surface water body nearest to well SA-53 is the Jivino Negro River, which is located 500 m from the center of the platform to the east, while the nearest source of groundwater is Mr. Baños' well, which is located 900 m to the west. It would be impossible for the weathered petroleum, which, according to the chemical analyses of Pits 1 and 2 (see Table 2A), does not contain mobile compounds, to have impacted the aforementioned water sources. The plaintiffs indicated that the water of the well of Mrs. Rosa Ramos, who lives 250 m west of well SA-53, was contaminated with petroleum. After interviewing Mrs. Ramos during the Judicial Inspection, she told us that she does not have and has never had a water well on her property. Mrs. Ramos' source of water is rainwater.

Pits 3 and 4 were part of the remediation SOW in 1995, but, during the remediation phase in 1996, the pits were declared as NFA because: i) Pit 3 had no petroleum and continued to be used by the community, and ii) Pit 4 had no petroleum and was a dry pit. Soil analyses of Pits 3 and 4 in 1995 confirmed that these pits had no petroleum above the action level specified by the RAP. On October 29, 1996, the Government of Ecuador and Petroecuador approved the NFA designation, and Texpet was relieved of all its obligations, responsibilities and legal liabilities related to these pits. During the Judicial Inspection, the area west of Pit 3 was investigated, and residues of highly weathered petroleum and

some mud were found. The plaintiffs claimed that this mud is drilling mud. An analysis of aerial and satellite photographs, soil samples, the site history, field observations during the judicial inspection, and other data show that this zone contains no drilling mud. Instead, it is a platform drainage zone. During the rainy season, the water runs from the platform to this zone west of Pit 3, where the sediment accumulates (see Figure 5).

There are no parameters in the area of Pit 3 that exceed international criteria that were applicable at the time when the RAP was implemented. The pits pose no risk to human health or the environment. The analytical results reveal the absence of drilling mud at this location, since the concentrations of barium (a product added to drilling mud) are low (see samples JI-SA-53-P3 0.4 M (SS), JI-SA-53-P3 1.0 M (SS), JI-SA-53-P3 1.3 M (SS), in Table 3B). Water runoff from the platform carries sediment and small amounts of petroleum from the platform surface to Pit 3. Pit 4 has not been affected.